

Instructions to Counties for Preparing the Annual Road Report (Paper Submission)



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California State Controller

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Introduction

The State Controller's Office (SCO) has developed these reporting instructions to assist counties in preparing the Annual Road Report using the traditional paper format.

California Streets and Highways Code Section 2151 requires counties to submit an Annual Road Report to the State Controller's Office on or before October 1 of each year. Information from the Annual Road Report is compiled and published in the *Streets and Roads Annual Report*, which summarizes the monies made available to and expended by local agencies for the construction, maintenance, and other street- and road-related activities within the state each year. This publication is provided to the California Executive Branch, the Legislative Branch, the U.S. Department of Commerce, and other interested parties.

The Annual Road Report can also be prepared and filed using the electronic collection tool. The electronic tool has several advantages over the paper forms: The electronic tool automatically adds report entries and forwards totals to the appropriate schedules; and the Road Report can be filed electronically, using a file transfer protocol (FTP) program. See the Automated Reporting Guidelines.pdf file located on the SCO website, www.sco.ca.gov, for detailed instructions.

General Instructions

Where to File

The report must include the Cover Page, signed and dated by the county officials designated to prepare and certify the report. The report should be mailed, without folding, to the following address.

State Controller's Office
Division of Audits
Special Audits Bureau
Annual Street & Road Report
P.O. Box 942850
Sacramento, CA 94250-5874

Date of Filing

The report must be filed by October 1 and must cover the one-year period ending on June 30 of the preceding fiscal year.

Report Preparation

In preparing the report, it is generally easier to work from the back of the report to the front. This is best accomplished by preparing and organizing all relevant workpapers and data in a clear, concise manner.

Report Assistance

Assistance can be obtained Monday through Friday from the SCO's Division of Audits, at the following numbers:

Northern Counties—Gus Castro, (916) 327-3560
Southern Counties—Larry Alexander, (310) 342-5642

Rounding

Round all numbers to the nearest dollar.

Negative Amounts

Show all negative amounts with parentheses.

General Information Form

This form is used to update and maintain current information on the mailing address for the county official responsible for the Annual Road Report. If the report is prepared by a CPA firm, please provide the contact information for the person preparing the report.

Schedule 1—Analysis of Changes in Fund Balances

Schedule 1 reconciles the fund balances at the beginning of the fiscal year, total monies made available for road purposes during the current fiscal year, total road expenditures during the current fiscal year, and fund balances at the end of the fiscal year for all road-purpose funds.

Lines 1.0-5.0, Fund Balances at Beginning of Fiscal Year—Report all monies and fund balances restricted for road purposes at the beginning of the fiscal year. These balances should be classified by funding source (i.e., Highway Users Tax, Transportation Development Act (TDA) code sections, etc.). To provide for continuity of reporting, the beginning balances of the restricted funds **must** be in agreement with the ending balances of the funds as shown in the prior year's Road Report.

Line 7.0, Monies Made Available during Fiscal Year—Report total available monies from Schedule 2, Line 54.0.

Line 9.0, Expenditures during Fiscal Year—Report total expenditures from Schedule 3, Line 27.0.

Lines 10.0-14.0, Fund Balances at End of Fiscal Year—Report by funding source all monies and fund balances restricted for road purposes at the end of the fiscal year.

Line 16.0, Obligations and Other Commitments—Report the amount of funds that have been obligated or committed. This will agree with the Total Fund Balances Reserved for All Road-Purpose Funds on Schedule i.

Schedule 2—Analysis of Monies Made Available

This schedule reports all monies made available during the fiscal year for road purposes. Monies restricted for road purposes (e.g., Gas Tax apportionments) should be reported when measurable and available, pursuant to generally accepted accounting principles. These amounts may or may not have been expended during the year.

Other non-restricted monies used for road purposes should be reported to the extent of the corresponding road-purpose expenditures funded (e.g., any road-purpose expenditures paid for by the General Fund).

Monies Made Available by State of California

Lines 1.0-6.0, Gas Tax Apportionments—These amounts should agree with the Highway Users Tax apportionment schedule provided by the SCO each year. Any differences should be explained at the bottom of Schedule 2 or on a separate attachment.

Line 8.0, Traffic Congestion Relief (AB 2928)—Report money received from the AB 2928 (Traffic Congestion Relief) Program.

Line 9.0, Motor Vehicle License Fees (In-Lieu Tax)—Report motor vehicle license fees used for road purposes and/or being accounted for in a road-purpose fund.

Lines 10.0-11.0, Flexible Congestion Relief and Traffic Systems Management—Report monies received under these programs.

Lines 12.0-14.0, TEA-21 Matching/Exchange Funds and RTPA Exchange Funds—Report monies received under these programs. Report state match and exchange funds under the RSTP program and RSTP funds received from the RTPA (i.e., local transportation commission).

Line 15.0, Disaster Assistance (OES)—Report money received from the State under this program.

Lines 16.0-20.0, Other State Aid—Report monies received from the State for road-purpose projects; these are normally authorized by specific legislation, such as grade separation, grade crossing protection, and flood relief projects.

Monies Made Available by Other Government Agencies

This section is used to report monies received from the federal government and from cities and districts. Contributions of work performed by another governmental agency should be reported on Schedule 5.

Federal Government

Line 22.0, Federal Forest Reserve—Report the Road Fund's share of the Federal Forest Reserve apportionment, as reported with the Highway Users Tax apportionment schedule provided by the SCO each year.

Line 23.0, Transportation Enhancement Activities (TEA)—Report money received under this program.

Line 24.0, Hazard Elimination Safety Program—Report federal money received under this program.

Line 25.0, Disaster Assistance (FEMA)—Report federal money received under this program.

Line 26.0-30.0, Other Federal Aid—Report federal monies received for road purposes, such as Federal Aid Urban (FAU), Community Development Block Grant (CDBG), and Housing and Urban Development (HUD) grants.

Do not report monies received from another governmental agency that represent that agency's share of joint project costs. The amounts for joint project costs will be reported by the agency making the payment, as part of its road expenditures for the year. These monies should either be abated against project costs or, if they are part of a reimbursable project, reported on Schedule 6d.

Cities and Districts

Line 31.0, Lighting Districts—Report money received from lighting districts.

Lines 32.0-34.0, Other Cities and Districts—Report all other monies received from city sources and special districts.

Monies Made Available from County and Local Sources

Lines 36.041.0 cover items that are normally restricted exclusively for road purposes. Therefore, any related balances of such funds at the beginning and/or end of the year must be reported on Schedule 1, and the amounts entered hereon represent receipts or accruals.

Line 42.0, Other General-Purpose Funds—Report *Office of Management and Budget Circular A-87* Cost Plan charges paid by the General Fund (not charged to the Road Fund), along with any other General Fund contributions except for vehicle code fines, which should be reported on Line 39.0. The revenue from A-87 Cost Plan charges will be offset by a corresponding increase in road-purpose expenditures on Schedules 3 and 6a.

Lines 43.0-46.0, Other County and Local Sources—Report all money received from county or local sources not reported on other lines of Schedule 2. It is permissible to report one or more account balances on a line. Large miscellaneous amounts should be itemized on a supplementary schedule.

Do not report money received from another governmental agency that represents that agency's share of joint project costs. The amount for joint project costs will be reported by the agency making the payment, as part of its road expenditures for the year. These monies should either be abated against project costs or, if they are part of a non-road reimbursable project, reported on Schedule 6d.

Lines 47.0 and 50.0—Include here any revenues and reimbursements associated with *Public Utilities Code* Section 99234 or 99400(a) TDA funds.

Lines 48.0 and 51.0—Report here any interest revenue from *Public Utilities Code* Section 99234 or 99400(a) TDA funds here.

Do not report the following types of monies on this schedule:

- Monies made available that are restricted exclusively for payment of interest or redemption of bonded or other indebtedness of the county, even if such indebtedness was incurred to finance expenditures for road purposes.
- Amounts received as reimbursements for expenditures made by the reporting county in connection with work performed by the county on the streets, roads, or highways of other governmental agencies (these expenditures will be reported by the other agency).
- Amounts received as reimbursements from utility companies for expenditures made by the reporting county in connection with road repairs caused by operations of the utility companies. These monies should be abated against road maintenance costs within the Road Report.
- Amounts appropriated to the county by another governmental agency, but not actually remitted to the county during the report year.

Schedule 3—Summary of Expenditures for Road Purposes

This schedule covers only road-purpose expenditures. In some instances, this will mean that expenditures of *Public Utilities Code* Section 99234 and 99400(a) monies reported on this schedule will not agree with the Grand Total of expenditures reported on Line 24.0 of Schedule 4 because of the inclusion of non-road-purpose eligible expenditures on Line 22.0 of Schedule 4. In all cases, only road-purpose expenditures are reported on Schedule 3. (See also the instructions for Schedule 4 on page 15.)

Types of Expenditures

Following are general guidelines for the three types of expenditures.

- *Force Account (Column 1)*—Enter expenditures for work performed by county forces. Include the cost of payroll/fringe benefits, materials, equipment, and overhead. Overhead includes operational costs of the road department, such as office machine maintenance, supplies, office utilities, and vehicle repairs.
- *Governmental Contract (Column 2)*—Enter expenditures for work performed by other governmental agencies (federal, state, city, or special district) providing administration, engineering, construction or road maintenance services.
- *Private Contract (Column 3)*—Enter expenditures for work performed by private vendors providing administration, engineering, construction, or road maintenance. Include utility company charges for road lighting and signals on Line 14.0.

Undistributed Engineering and Administration

Lines 1.0-3.0 cover expenses related to the administrative management of the roads function of the county as well as engineering costs that are not included in other cost centers or expenditure classifications of this report.

The supervisor's travel allowance should be reported as a force account expenditure. Administrative and undistributed engineering expenses should be reported as force account, government, or private contract, as applicable.

It is essential that the reported expenditures be limited to those directly related to the administrative category. County personnel with job classifications of road foreman, general foreman, road superintendent, etc., usually are more involved in the operations function than in administration. Labor expenditures for these employees should be classified as road overhead, to be distributed by an equitable method among all applicable projects, activities, and cost centers, using recommended costing procedures.

Administrative Expenses—Line 2.0

Amounts to be reported consist of expenditures for the supervision and management of those activities generally falling under customary and normal jurisdiction of the county road department. These amounts include, but are not limited to, the salary and expenses of the road commissioner, the salaries of the administrative and clerical staff, necessary office expenses, convention and travel expenses, and A-87 Cost Plan charges.

In a public works department, where the road function is a division of an organization, an equitable pro rata share of total departmental administrative costs is allowable as administrative expenditures. Such a pro rata allocation must be based on time distributions or comprehensive cost studies, and all data supporting the allocation cost studies or estimates should be retained in the county's files for review by SCO auditors.

Undistributed Engineering Costs—Line 3.0

Engineering costs to be reported are those expenditures that cannot be allocated to a specific cost center or project because the work is not specific or because allocation by cost center or project is impractical. Some of the more common types of activities to be charged to this cost center relate to traffic engineering, safety engineering, planning studies and investigations, and related unallocated costs.

Construction and Right of Way**Construction—Lines 5.0-10.0**

Construction costs consist of the following:

- (1) Projects developing new roads, bridges, lighting facilities, storm drains, etc., in locations that formerly had no such facilities, or projects departing to such an extent from the existing alignment and grade that no material salvage value is realized from the old facilities.
- (2) Additions and betterments to the road system and its right of way, including grade separations, urban extension, and Federal Aid Secondary (FAS) and Federal Aid Urban (FAU) projects (exclusive of maintenance and repairs).
- (3) Any work that materially increases the service life of the original project.

Falling within the above categories are the following specific types of expenditures:

- (1) Resurfacing to a thickness of greater than one inch.
- (2) Resurfacing to a thickness of less than one inch, if the project has been certified by a responsible county authority as construction.
- (3) The first application of any type of oil treatment or mix to a road not previously oil treated.
- (4) Construction of traffic islands and other traffic safety devices.
- (5) Original landscaping, tree planting, and similar work on a road.

(6) Acquisition and installation of:

- Road lighting facilities.
- Traffic signals—Include the county's share of the cost of traffic signals at intersections of county roads and state highways or city streets.
- Road signs, but only when such signs are installed in connection with developing new roads.

Right-of-Way Acquisition—Line 12.0

Right-of-way expenditures include the following:

- (1) The acquisition of land or interest therein for use as a right of way in connection with the county road system. The amount to be reported should include the cost of acquisition of any improvements situated on the real property at the date of its acquisition by the county.
- (2) The cost of removing, demolishing, moving, resetting, and altering buildings or other structures that obstruct the right of way.
- (3) Court costs in condemnation proceedings.
- (4) Title searches and reports.
- (5) Salaries and expenses of employees and right-of-way agents in connection with the acquisition of rights of way.
- (6) Severance damage to property sustained by reason of the county's road projects.
- (7) All other purposes of acquiring rights of way free and clear of all physical obstructions and legal encumbrances.

Engineering costs applicable to any of the foregoing classifications should be included on these lines if such costs have been so allocated in the accounts and/or included in the final cost statement submitted to or by Caltrans' Division of Highways.

Do not report the following on these lines:

- Expenditures made by the reporting county on the street or road system of another governmental agency (see Line 23.0).
- Road expenditures or the value of rights of way acquired under the Improvement Act of 1911 or similar acts (see Schedule 5).
- The value of rights of way donated to the county by private parties (see Schedule 5).

Maintenance

Lines 14.0-19.0 are used to show maintenance expenditures, which include the following:

- (1) The preservation and keeping of rights of way, road structures, and facilities in the safe and usable condition to which they have been previously improved or constructed. Reconstruction or other new improvements are to be reported as construction expenditures.
- (2) The maintenance and repair of special safety conveniences and devices, but not the cost of the original acquisition of these items.
- (3) General utility services, such as roadside planting, tree trimming, road cleaning, snow removal, and general weed control.
- (4) Repairs or other work caused by damage to road structures or facilities from storms, slides, settlements, or other causes, unless the county engineer has determined that such work is properly classifiable as construction.
- (5) Maintenance and energy costs for lighting facilities on the county road system.
- (6) Maintenance and energy costs for traffic signals on the county roads, and the county's share of such expenditures for traffic signals situated at intersections of county roads and state highways or city streets.
- (7) The cost of road signs to be used for the regulation, warning, or guidance of traffic. These costs are exclusive of the cost of road signs installed in connection with projects developing new roads, which is considered a construction cost.
- (8) Traffic control signs and striping.

Do not report the following expenditures on these lines:

- Expenditures covering work on the street, road, or highway system of another governmental agency, if such charges are recoverable and no out-of-pocket expenditures have been made by the reporting county. If such charges are not recoverable, they should be reported on Line 23.0, Aid to Other Governmental Agencies.
- Repair, restoration, or replacement of road facilities caused by public utility operations. If the county is unable to estimate the repair, restoration, or replacement cost, it may deduct from the overall charges the amount the county received as reimbursement for the work from the public utility.
- Expenditures that have been or will be recovered by the county for work on the streets, roads, or highway system of another governmental agency. These expenditures are to be reported on Line 25.0 of this schedule and on Schedule 6d.

Equipment and Plant Acquisition

Acquisition of Equipment—Line 21.0

This line covers expenditures for the acquisition of equipment used in the road-purpose operations of the county. Include all major modifications to equipment and all costs of equipment and betterments constructed by the county force labor, as well as the purchase of engineering equipment and office equipment. Provide the expenditure details on Schedule 9.

When equipment is purchased on a non-capital-lease plan, only the current year's payments should be reported on Schedule 9. When equipment is purchased on a capital lease plan, the total expenditure and lease revenue should be reported in the year of inception. The total expenditure is reported on Schedule 9 and the lease revenue is reported on Lines 43.0-46.0 of Schedule 2. In subsequent years, the annual lease payment should be reported on Schedule 6b as a fund adjustment. The current year's interest expense should be reported as an administration cost.

Do not include on this line:

- The cost of small tools that are utilized primarily for equipment repair and maintenance. These should be charged to the equipment maintenance accounts and spread through the application of rental rates.
- The cost of small tools, such as axes, shovels, and flasher lights. These should be charged to a road overhead account and distributed to applicable cost centers in accordance with recommended costing procedures.
- Equipment acquired by a working capital fund (internal service fund). These acquisitions are recorded in that fund and are charged to road funds through equipment rental rates.

Acquisition of Plant—Line 22.0

This line covers all expenditures made during the report year for the acquisition of facilities to be used solely in connection with the operation of the road-purpose activities of the county. The term "facilities" as used here refers to land, excluding rights of way, and the structures and improvements thereon that are incidental to but necessary for the performance of the actual road construction and maintenance work performed by the county. These facilities are not part of the county's network of roads.

"Facilities," therefore, includes road-purpose installations such as office buildings, shops or garages, warehousing facilities or storage sites, equipment yards, area road stations, permanent storage or hot plant installations, and laboratory or testing facilities. Provide expenditure details on Schedule 10.

Expenditures to be reported include:

- (1) Expenditures for the acquisition of land and the buildings situated thereon at the time of acquisition by the county. Receipts from the sale of salvage should be credited against the cost.
- (2) The cost of removing, demolishing, moving, resetting or altering buildings, structures, or other improvements.
- (3) The cost of planning and erecting new buildings or adding to existing structures on the land.
- (4) Payment for any and all damages to property caused by the project.

- (5) Court costs in condemnation proceedings.
- (6) The cost of title searches and reports.
- (7) Salaries and expenses of employees and right-of-way agents in connection with the acquisition of land and/or the purchase, alteration, or construction of the structures thereon.
- (8) All other expenditures incurred for the purpose of acquiring land and/or the purchase, alteration, or construction of structures thereon, including the installation of utility facilities, surfacing of yards, fencing, etc.

Aid to Other Governmental Agencies

Line 23.0 is for reporting expenditures made on the street or road system of other cities and counties, or money advanced to them for that purpose. This amount is carried forward from Schedule 11, Line 17.0, Column 7.

Experience has shown that practically all aid to other governmental agencies reported by counties has been given to cities pursuant to *Streets and Highway Code* Section 1680, et seq., and Section 1700, et seq. The reporting policy followed is that the street on which the work is performed is still part of the street system of the city, even though by agreement it is considered a county highway for the purpose of performing the work.

Likewise, any expenditure made on former county roads pursuant to *Government Code* Section 34333, where the roads have become city streets by reason of the incorporation of the city, should be reported on this schedule as a contribution to that city from the date of incorporation. If costs of this work have not been accumulated separately, a reasonable estimation of the amount should be made and reported on this schedule.

Provide the detail of Aid to Other Governmental Agencies on Schedule 11.

Do not include expenditures made on the street or road system of another governmental agency for which reimbursement has been or will be received. Expenditures subject to reimbursement should be reported on Schedule 6d, even if reimbursement is not received during the same year in which the expenditures are made.

Each city or county receiving a contribution must be notified in writing as soon as possible regarding the amount, purpose and type of the contribution, to aid in preparation of the Annual Street Report or the Annual Road Report. A copy of the letter or report should be sent to the State Controller before the Annual Road Report is submitted.

Net Non-Road Work and Fund Adjustments

Line 25.0 is for reporting the net effect of non-road reimbursable work, both revenue and expenditures, taken from Schedule 6d. It should include the two major types of non-road reimbursable work that the road department may do, interfund and outside road services.

The amount to be reported on Line 26.0 for fund adjustments is the total as detailed on Schedule 6b, Line 24.0.

Expenditure Funding

The Expenditure Funding Recap section of Schedule 3, Lines 28.0-33.0, is composed of four columns. Column 1 (not shown) is always blank. Column 2 is derived from Schedule 6a, Total, under the appropriate column. Care should be taken to prevent misclassification of the funding source when transferring these amounts from Schedule 6a to Schedule 3.

Column 3 is derived directly from Schedule 6b. Amounts reported on Schedule 6b, Lines 25-30, should be transferred to the appropriate line on Schedule 3. Column 4 is derived by adding Column 3 to or subtracting it from Column 2. The Total Expenditures on Line 34.0 of Column 4 must agree with the Total Expenditures on Line 27.0.

Lines 32.0 and 33.0 reflect non-discretionary and discretionary expenditures. The amounts reported on these lines are derived from the totals in Columns 5 and 7 on the Schedule 6a Recap. Highway Users Tax, Traffic Congestion Relief (AB 2928), and TDA-funded expenditures are reported on Lines 28.0-31.0 and are always non-discretionary.

Schedule 4—Schedule of Expenditures, Sections 99234 and 99400(a), Public Utilities Code

This schedule is used to report all expenditures of *Public Utilities Code* Section 99234 (Article 3) and Section 99400(a) (Article 8a) TDA funds and may include both road and non-road expenditures. Non-road TDA expenditures are also reported on Schedule A, Line 5.0.

It should be noted that the expenditures reported here will not agree with Schedule 3, Lines 30.0 and 31.0, Column 2, if they include the non-road expenditures reported on Schedule A. Some examples of non-road expenditures to be reported here but not on Schedule 3 are: monies received under *Public Utilities Code* Section 99234 or 99400(a) for a bikepath through a park or along a river outside the road right of way; and monies received under *Public Utilities Code* Section 99400(a) for planning or contributions to the transportation planning process.

If there are no non-road expenditures from these monies, this schedule must agree with Schedule 3, Lines 30.0 and 31.0, Column 2.

Note: All road-purpose expenditures reported on Schedule 4 must also be reported on Schedule 3. Line 28.0 of this schedule is used to report obligations of *Public Utilities Code* Section 99234 and Section 99400(a) monies only. These obligations and commitments must also be included as part of the total obligations and commitments shown on Schedule 1, Line 16.0.

Schedule 5—Schedule of Expenditures by Other Governmental Agencies and Private Parties

This informational schedule is for reporting amounts spent for road purposes by individuals or organizations other than the county. These amounts are in addition to county expenditures but still of benefit to the road system. The expenditures are not reflected in the county records and the county does not have any direct control over the budgeting or financing of the work.

The schedule is divided into six sections, representing the types of contributions that may be made to the county. The total of each section is published in the *Streets and Roads Annual Report*, with similar information from cities.

Federal—Lines 1.0-4.0

Report in this section the expenditure of any federal funds by either the state or the federal government. Information regarding completed FAS projects should automatically be sent to the county each year by Caltrans; however, the county may have to make a specific request from federal agencies regarding other road projects. In the absence of correspondence from the agencies, an engineering estimate as to the value of work performed is acceptable.

State—Lines 6.0-12.0

This section is for reporting expenditures of state funds on the county road system. Normally, the county receives a statement from Caltrans regarding such projects.

Other County Agencies—Lines 14.0-18.0

Report in this section amounts expended by other county agencies such as flood control districts and detention camps. Information regarding such expenditures should be available from the county auditor.

City or County—Lines 20.0-23.0

Enter in this section any contributions of work performances from a city or another county. This information should be furnished to the county by the performing agency.

Private Parties—Lines 25.0-30.0

Report in this section any expenditures by private parties on the county road system, including subdividers and the railroads' one-half share of crossing protection projects or maintenance agreements. For subdividers, an engineering estimate is acceptable; names of the subdivisions should be included.

1911 or Similar Acts—Line 32.0

This line is provided for reporting any expenditures made under the Improvement Act of 1911 or similar acts. If the contract under which the work was performed covered both road and non-road work, the amount reported should represent the estimated percentage that the road-purpose costs bear to the total contract costs.

Schedule A—Supplemental Report, Transportation Development Act (TDA) Non-Road-Purpose Expenditures

The purpose of this schedule is to report TDA non-road-purpose data for inclusion in the *State of California Transit Operators and Non-Transit Claimants Annual Report*. Some examples of non-road-purpose expenditures are pedestrian walkways and bikeways not alongside roadways (*Public Utilities Code* Section 99234) and planning and contributions to the transportation planning process (*Public Utilities Code* Section 99400(a)).

Line 1 of this schedule must agree with the fund balance(s) reported in the previous year.

The non-road-purpose fund balance and revenues are not reported on any other schedule of this report. However, non-road-purpose Expenditures, Line 5.0, and Fund Adjustments, Line 5.5, are also reported on Schedule 4, Line 22.

Report any non-road-related activity pursuant to *Public Utilities Code* Section 99234 in Column 1 and any transportation planning activity pursuant to *Public Utilities Code* Section 99400(a) or 99402 in Column 2. These expenditures should also be reported on Schedule 4, Line 22, but are not to be reported on Schedule 3.

Do not report transit funds on this schedule.

Schedule 6a—Expenditure Detail and Recap

This schedule covers all road-purpose expenditures made by the county during the year. Do not include any expenditures not paid for by the county (see Schedule 5). The schedule consists of a recap sheet (6a) and a page for construction project details (6a-1).

Include any Road Fund expenditures absorbed by other county funds as maintenance expenditures, except for A-87 costs, which should be included as administration expenditures.

Schedule 6b fund adjustments are not included on this schedule. Report them on Schedule 3 in Column 3, Lines 28.0-33.0, and in Column 4, Line 26.0.

The 6a Recap summarizes all road-purpose expenditures. The recap totals must agree with the totals on Schedule 3. For example, Total Administration and Undistributed Engineering, Column 9, Line 1, must agree with Schedule 3, Column 4, Line 4.0. Also, the sources of funding must agree with Schedule 3, Column 2, Lines 28.0-33.0. For example, the total of Schedule 6a, Column 1, must agree with Schedule 3, Column 2, Line 28.0. Codes have been provided and should be used to identify funding sources.

Column 7 of the recap provides detail of any discretionary funding for roads. Include in this column any unrestricted funds that the county may expend at its discretion for road purposes. Discretionary funds include but are not limited to general funds, vehicle in-lieu tax revenues, discretionary revenues from fines and forfeitures, and indirect costs absorbed by the general fund.

Enter construction expenditure details on Schedule 6a-1. Use as many pages as necessary to provide details for all construction projects. Indicate whether the project is complete (C) or incomplete (I) and the source of funding. The total of expenditures is summarized on the recap.

TEA-21-funded construction projects should be included on Schedule 6a-1 (Construction Expenditure Detail) under Column 8. Remaining TEA-21-funded expenditures, if any, should be carried forward to the other major categories on the 6a Recap under Column 5.

Schedule 6b—Schedule of Fund Adjustments and Other Expenditures Allowed by Law

This schedule covers all of the adjustments necessary to bring the restricted balances shown on Schedule 1 to their proper balance.

To provide for continuity of reporting, the ending balances of restricted funds from the previous Road Report must be shown as the beginning balances of the current year's report on Schedule 1. If any of these balances are incorrect because of reporting errors in previous years, the necessary adjustment can be made on Schedule 6b, so the ending balance on Schedule 1 is correctly stated. In some cases—for example, if the amount of expenditures was correctly reported but the source was incorrectly reported—the adjustment can be made by indicating a transfer between funds by debit and credit entries under the Source from Which Paid section, supported by adequate explanation in the body of the schedule (two-sided entry). In other cases, where expenditures have been either underreported or overreported, adjustments are also necessary (one-sided), with detailed explanations in the body of the schedule. If any doubt exists as to the correct handling of an adjustment reportable on this schedule, contact the SCO at (916) 323-5932.

Include on this schedule other expenditures allowed by law (itemized by type and fund) that cannot be reported on any other schedule of this report. An example would be school crossing-guard expenditures, provided sufficient vehicle code fines have been received to cover the expenditures.

Report on this schedule as a fund adjustment any reimbursements to Gas Tax or TDA monies for prior-year expenditures. An example would be the reimbursement of Gas Tax monies from FAU funds, in which case there would be a credit to the appropriate Gas Tax section and a debit to Other, with FAU revenue being reported on Schedule 2.

If adjustments are necessary for the non-road TDA activity reported on Schedule A, use Line 5.5 of Schedule A and include a description at the bottom of the schedule.

Schedule 6c—Supplementary Schedule of Snow Removal Expenditures

This schedule serves a dual purpose. It provides the detail for snow removal expenditures claimed by the county, and it serves to determine the amount of snow removal expenditures the county may claim for reimbursement. Examples of expenditures that may be claimed for reimbursement are included on the schedule, but they are not intended to be all-inclusive. Expenditures must be detailed by labor, equipment, materials, contract, and overhead.

Note: The amount reported on Line 14.0 should be transferred to Schedule 3 and to the Schedule 6a Recap. Depreciation may be added to snow removal expenditures only for purposes of determining the amount claimed for reimbursement on Line 18.0.

Schedule 6d—Schedule of Non-Road Expenditures and Amounts Billed for Non-Road Work

The format of this schedule is predicated on the Recommended Road Accounting Plan, where there is maintained a cost center—Non-Road Reimbursable Work—to which is charged the cost of performing non-road work or services, and an account—Cost Transfer and Reimbursements—in which the subsequent reimbursements are recorded. Non-road reimbursable work may be defined as expenditures incurred that are not legal obligations of the Road Fund. In most circumstances, the net amount in Column 3 should be a credit if the billings for the projects or services include costs for equipment depreciation factors and/or administrative overhead charges that are not recorded as a cost of the project or service.

In each section, projects or services involving significant costs should be listed separately, with the name of the agency or party for whom the work or service was performed and the general nature of such work. Services of a similar nature in which only minor costs are involved may be grouped and reported on a single line, with an appropriate description as to the nature of the work or service. Likewise, reimbursements for the service should be listed separately and matched with the expenditures as closely as possible. If reimbursements cannot be easily matched with expenditures, a single grouping is acceptable.

As the *Accounting Standards and Procedures for Counties* manual suggests, non-road work not billed at year-end should be billed as of June 30 with a credit to the Non-Road Reimbursable Work cost center and a debit to Accounts Receivable.

Schedule 7—Schedule of Clearing Account Activity

Report on this schedule the total amounts of the actual charges to and distribution from all clearing accounts, revolving accounts, or cost distribution centers **before** the variance is distributed to other cost centers or projects. It is not necessary to list the detailed charges in these clearing accounts or the rates used to distribute them. However, the detail should be made available to the SCO auditors during their review.

The recommended clearing account titles are shown, but there may be others for inventory, store overhead, etc. The titles used for the clearing accounts should be the same as those used in the financial records. Additional lines are provided for detail or explanation.

The purpose of this schedule is to confirm proper cost distribution. Acceptable variances are as follows: labor, $\pm 5\%$; equipment, shop, general overhead, and inventory, $\pm 10\%$. An analysis of rates and distribution is necessary if any variance exceeds the standard.

Schedule 9—Detail of Acquisition of Equipment

This schedule shows a detailed record of equipment acquired by the county. Enter the date of each purchase, the vendor, the purchase amount, the funding source, a description of the item purchased, and the fixed asset identification number, if available. The purchase amounts should be totaled at the bottom of this schedule and transferred to Schedule 3, Line 21.0, and to the Schedule 6a Recap, Line 7.0. (See page 11 of these instructions for the types of expenditures to include.)

Schedule 10—Detail of Acquisition of Plant

This schedule shows a detailed record of plant acquisitions by the county. Enter the date of each purchase, the vendor, the purchase amount, the funding source, a description of the item purchased, and the work order number of the project, if available. The purchase amounts should be totaled at the bottom of this schedule and transferred to Schedule 3, Line 22.0, and to the Schedule 6a Recap, Line 8.0. (See page 12 of these instructions for the types of expenditures to include.)

Schedule 11—Schedule of Contributions to Other Governmental Agencies

Enter on this schedule contributions to other governmental agencies. Identify each project by funding source as to type (construction, maintenance, right of way, etc.) and whether it was a cash or a force account contribution. (See page 13 of these instructions for the types of expenditures to include.)

Each agency that received a contribution should be sent a copy of this schedule.

Schedule i—Combined Balance Sheet of All Road-Purpose Funds

This schedule is intended to show the financial position of all road-purpose funds in the county at the close of the fiscal year. Amounts listed in Column (1) must be the exact amounts reflected in the official records of the county (rounded), even though they may be different from the amounts shown in the Road Report column. An adjustment column is provided for showing the differences in line items.

The most common type of adjustment is for Inventory or Deposits with Others when the fiscal year-end amounts are not known in time to adjust the general ledger accounts. Other adjustments may be necessary when reporting requirements differ from the general ledger.

Some line items include specific account names. These are the accounts that most often appear in the county's general ledgers, but they are not necessarily all of the accounts. List all major account classifications that are in the general ledger. If additional space is needed, a supplemental balance sheet may be attached.

Those counties having several road-purpose funds must prepare a worksheet combining the general ledger accounts. A copy of this worksheet may be attached to the reporting forms, but it is not required; the SCO assumes that the information will be available upon request should a question arise.

Signatures on Cover Page

Pursuant to *Streets and Highways Code* Section 2151, the report must be signed by the officials of the county who are designated to prepare and certify the report before it is submitted. The names of the officials signing the report should be typed below the signature line. This form is included with the paper schedules.

Addendum—Report Test Checks

The following reference checks have been included to assist in the preparation of the Annual Road Report. In all cases, it is important to remember that the entries must be rounded to the nearest whole dollar. **Schedules 1-5, A, and 6a must be submitted; any other schedule not having transactions need not be submitted.** If there are no expenditures or revenues to report on any line of any schedule, please leave the line blank—do not report zeros.

In preparing these instructions, the SCO has included examples to illustrate situations that may arise. If a county has a situation not covered by one of these examples and is unsure of the proper reporting treatment, the county should contact the State Controller's Office at (916) 323-5932.

There are a number of report totals and amounts on different schedules that must agree. Below is a summary list of these totals and amounts.

	Line	Column Must Agree With	Schedule	Line	Column
Schedule 1	1.0		1	10.0	Prior Year
	2.0		1	11.0	Prior Year
	3.0		1	12.0	Prior Year
	4.0		1	13.0	Prior Year
	5.0		1	14.0	Prior Year
	6.0		1	15.0	Prior Year
	7.0		2	54.0	
	9.0		3	27.0	4
Schedule 2	54.0		1	7.0	
Schedule 3	4.0	4	6a Recap	1	9 (Total)
	11.0	4	6a Recap	2	9 (Total)
	12.0	4	6a Recap	3	9 (Total)
	17.0	4	6a Recap	4	9 (Total)
	17.0	4	6c	14	
	18.0	4	6a Recap	5	9 (Total)
	21.0	4	6a Recap	7	9 (Total)
	22.0	4	6a Recap	8	9 (Total)
	23.0	4	6a Recap	9	9 (Total)
	25.0	4	6a Recap	10	9 (Total)
	25.0	4	6d	32.0	3
	26.0	4	6b Recap	24.0	
	28.0	2	6a Recap	11	1
	29.0	2	6a Recap	11	2

	<u>Line</u>	<u>Column Must Agree With</u>	<u>Schedule</u>	<u>Line</u>	<u>Column</u>
Schedule 3	30.0	2	6a Recap	11	3
(cont.)	31.0	2	6a Recap	11	4
	32.0	2	6a Recap	11	5
	33.0	2	6a Recap	11	7
	27.0	4	1	9.0	
	28.0	3	6b	25.0	
	29.0	3	6b	26.0	
	30.0	3	6b	27.0	
	31.0	3	6b	28.0	
	32.0	3	6b	29.0	
	33.0	3	6b	30.0	
	21.0	4	9	Total	
	22.0	4	10	Total	
	23.0	4	11	Total	
Schedule 4	24.0	4	4	27.0	4

The process for computing the ending balances is straightforward. For example, the Traffic Congestion Relief ending balance is computed as follows:

Sum of: Schedule 1, Line 2.0; Schedule 2, Line 8.0
 Minus: Schedule 3, Line 29.0, Column 4
 Equals: Schedule 1, Line 11.0

The same reasoning generally holds in computing other ending balances. In general, the formula is to add like beginning balances to like revenues and deduct like expenditures.